

HEALTH CARE ACCESS WORKING GROUP

Draft Report: Access to Insurance
November 13, 2000

BACKGROUND

Defining Access: Two Prongs

- Financial Access to Health Care
 - health insurance
 - uncompensated care pool
 - public programs
- Physical Access to Health Care
 - geographic distribution of providers
 - financial viability of providers

BACKGROUND

Adequacy of Coverage

- The purpose of insurance is to protect against unanticipated and catastrophic health care costs.
- The rise of pre-paid health care or “first dollar” coverage facilitated access to preventive care.
- Adequacy of coverage depends on financial means of the insured to meet patient paid costs.

BACKGROUND

Universal Insurance vs. Universal Access

- Purpose of Insurance is payment for care - insurance is not a goal in and of itself
- Many programs pay for care without “insuring” individuals
- For some, payment for services used may be cheaper than payment of coverage

BACKGROUND

Universal Insurance vs. Universal Access

- Absent government-issued single payer coverage, “universal” insurance is difficult
- Universal insurance requires fundamental restructuring
 - employer relationship shifts
 - choice
 - role of government

BACKGROUND

Incremental Approach

- Preserve and expand on current services
- Requires continued involvement of public and private sectors

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Measuring the Uninsured

1. CPS = Current Population Survey
2. UMass/DHCFP Survey
3. NSAF = National Survey of American Families

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Comparison: US vs. MA Uninsured

AGE	US	MA
0-18	12.5	3.4
19-64	16.3	8.3

Massachusetts Uninsurance Rates 1997-2000

Source: Urban Institute's NSAF 1997 and 1999 ('99 results prelimin.)
DHCFF survey results for 1998 and 2000

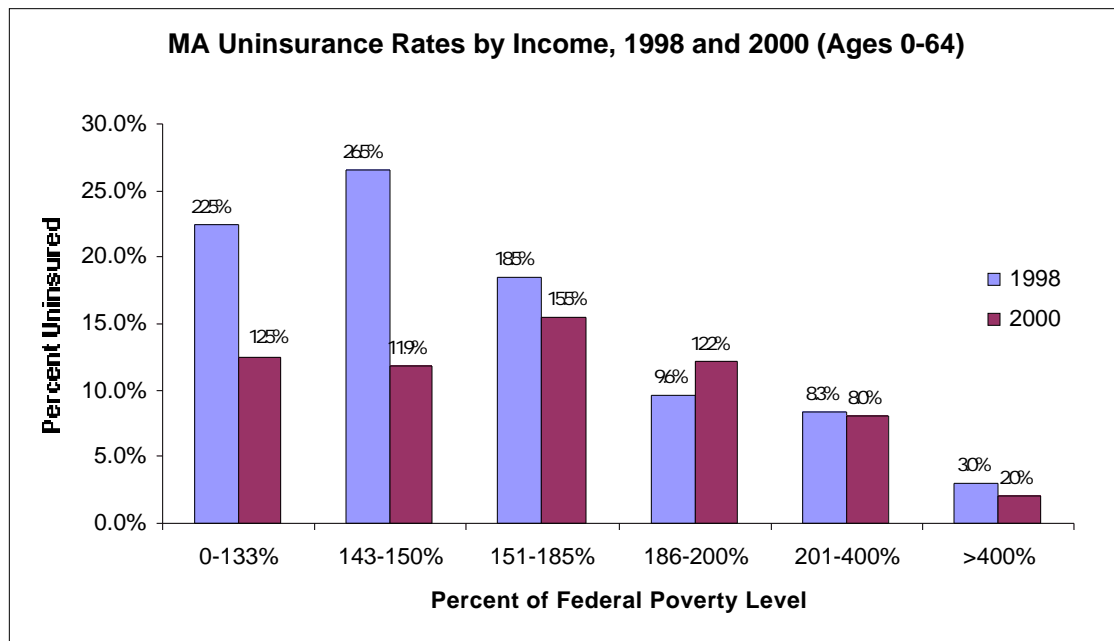
Age	NSAF 97	DHCFF 98	NSAF 99*	DHCFF 00
0-18	6.2%	5.8%	3.4%	2.8%
19-64	11.3%	10.8%	8.3%	8.0%
0-64	9.8%	9.3%	6.9%	6.5%
All Ages	N/A	8.2%	N/A	5.9%

What sets Massachusetts apart from the rest of the country?

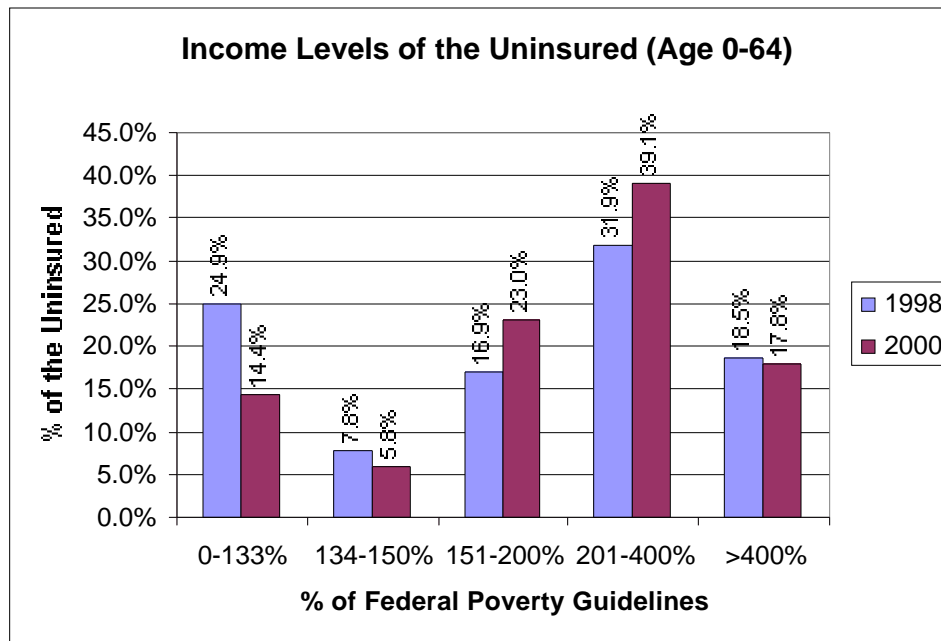
Factors

- Medicaid expansion through MassHealth
- Aggressive Outreach to enroll eligible people -collaboration
- Economy: employer- sponsored insurance has increased

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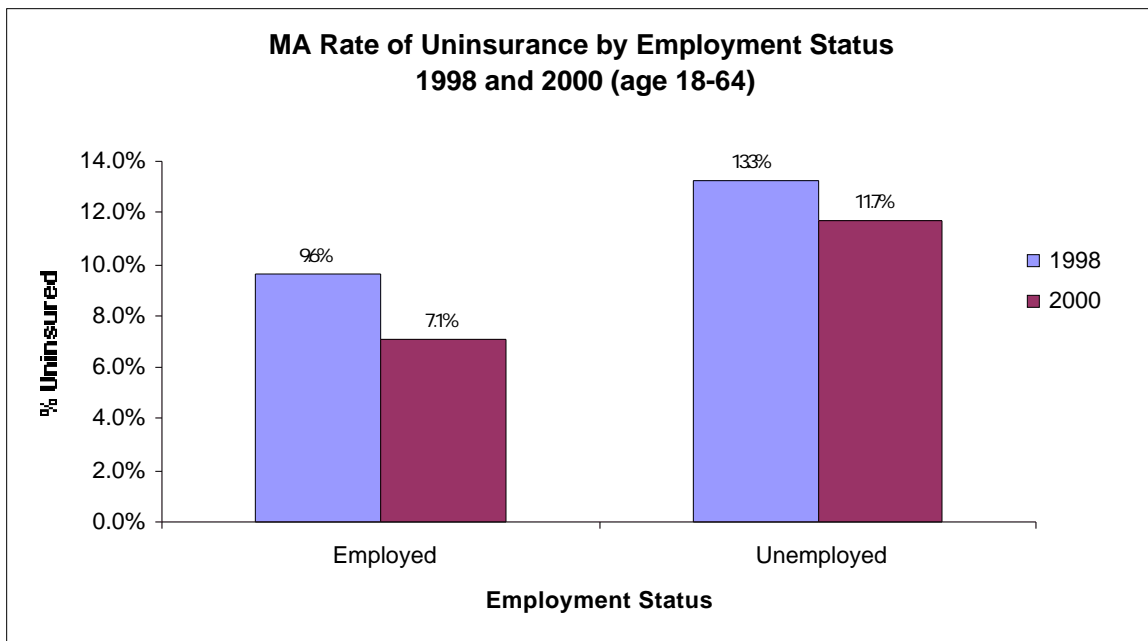
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MA Uninsurance Rates by Race/Ethnicity, 2000 (All Ages)			
Race/Latino Status	% of Uninsured	% of MA Population (1990)	% of Group Uninsured
White/Non-Latino	69.7%	87.8%	4.9%
Black/Non-Latino	7.6%	4.6%	10.9%
Hispanic	15.9%	4.8%	17.0%
Nat Amer./Indian-Alask	2.3%	0.2%	37.8%
Asian/Pacific Islander	1.4%	2.3%	2.4%
Multiracial/Other	3.2%	0.4%	5.2%
TOTAL	100%	100%	5.0%

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State Programs: Insurance and Subsidies

- MassHealth:
 - State Medicaid Program
 - expanded in 1997 through “waiver”
 - current enrollment: nearly 1 million members
 - eligibility by income level and category

State Insurance Programs (cont'd)

- Insurance Partnership
 - subsidies to eligible small employers to encourage provision of private insurance
 - subsidies to families as well

State Insurance Programs (cont'd)

- Children's Medical Security Plan (CMSP)
 - children up to 19 not eligible for MassHealth
 - no income restrictions; sliding premium

State Programs: Not Insurance, but Payment for Care

- CenterCare: DPH and Community Health Centers, primary care and preventive services
- Many Programs for specific populations or specific services
- Safety Net: Uncompensated Care Pool

Incremental Interventions to Expand Access to Insurance

1. Insurance Products or Public Programs
2. Assistance with Purchasing Insurance

Incremental Interventions

- Expand MassHealth
 - within income eligibility requirements, reduce categorical requirements
 - consider raising income eligibility levels, with caution to avoid “crowd out”
- Combine and Streamline State Programs
 - the large number of disconnected state programs is a barrier to access
 - Simplify for patients and providers

Incremental Interventions

Making Insurance Affordable

- Consider allowing “bare bones” policies exempt from mandated benefits.
- Consider ways to encourage higher deductibles, less “first dollar” coverage.
- Provide flexibility to HMOs and Insurers to develop products that offer affordable design and network options.

Incremental Interventions

- Premium Subsidies
- Tax Credits for Individuals
- Individual Insurance Coverage Mandate
 - similar to mandate for students
- Insurance Market Reforms
 - e.g., use of “rate band” requirements

Incremental Interventions

- Medical Savings Accounts
- Flexible Spending Accounts
- Indirect Mandate: Commonwealth would require entities it contracts with to insure employees

Recommendation

- Continue Incremental Interventions
 - MassHealth, premium subsidies, streamline public programs
 - evaluate further insurance market changes and possible reforms
 - Continue to monitor levels of uninsurance
- Consider larger structural change from the perspective of affordability